

PORT OF NEWPORT MINUTES

April 26, 2016

Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; David Jincks (Pos. #2), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Patricia Patrick-Joling (Pos. #5).

Management and Staff: Kevin Greenwood, General Manager; Rick Fuller, Director of Operations; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Tim Gross, City of Newport; Jayson Buchholz, City of Newport; Wayde Dudley; Barb Dudley; Pat Ruddiman, ILWU; Dennis Anstine, Newport News-Times; Kiera Morgan, KYTE.

II. CHANGES TO THE AGENDA

There were no changes to the Agenda.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Work Session – March 22, 2016
 - 2. Regular Meeting – March 22, 2016
 - 3. Budget Priorities Work Session – April 5, 2016
- B. Financial Reports
- C. Lease to Seafarers Permits & Brokerage
- D. Special Use Permit Silent Crow Arts
- E. Special Use Permit Newport Marathon
- F. Award Contract to Replace NOAA Lighting Inverter Circuit Board
- G. NOAA SLA13 Carpet Waiver, SLA14 Glass Wall Installation

Greenwood advised that he and Hewitt's daughter Kelly will be representing the Port in the Marathon.

A motion was made by Jincks and seconded by Patrick-Joling to approve the Consent Calendar. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. Timothy Gross, City of Newport Engineer – Bay Blvd/Moore Drive intersection

Greenwood introduced Gross to the Commissioners. Greenwood said he had received phone calls from neighbors regarding this construction and invited Gross to present at the Commission meeting. Chuck requested that the presentation be allotted five minutes with an additional 5 minutes for questions and answers.

Gross explained that they were starting to fix the storm drain at the Fogarty Street and Bay Boulevard intersection, the Moore Drive and Bay Blvd. intersection, and the Embarcadero parking lot. They would also overlay Bay Blvd. and realign Moore Dr. This would improve the turning radius at the intersection of Bay and Moore. Some modifications will still be made to the current drawings. The city ran trucks through the movements to evaluate turning radius and speed. The island on the drawing is painted only, not built up, to clarify the right of way. Gross responded to a question from Patrick-Joling that the road is only curved on the edges, the curve moved slightly, the area widened and shifted to the north-west. This project had been proposed 15 years ago when the bank was constructed. Gross said the city understood this construction and change would have an impact on Port tenants. The road will be open at all times, but there will be flaggers and delays. The city will need to get an easement from the Port as they would like to discharge in the Bay. It should take two to three days to install the outfall. Gross left the preliminary drawings of the easement and will come back at the Regular Commission Meeting in May to seek easement approval. Brown asked if there would be a sidewalk on Moore and a street light. Gross said there will be sidewalk on one side of Moore, and the pedestrian crossing will be painted in the middle of the curve to provide a better line of sight, which would be better than crossing at the Embarcadero. There are no details yet on the street light, which would be coordinated with the utility company. Lamerdin asked if the light would coordinate with the crosswalk, which Gross said would be considered. Chuck asked if there would be a left turn lane into the bank. Gross said no, there was not enough room; the striping was designed for the best turning, but the City would still be meeting with the bank. The access to the bank from Moore is unchanged. In response to Brown, Gross said the speed limit would be 30 mph down the hill and 25 mph around the corner, but a speed study would still be reviewed for a final determination. Gross said the work would be done during the daytime sometime from July to September, and bids would be sought in May. The amount of water would be less at each outlet. Gross introduced Buchholz, the city Project Manager. The easement will be added to the Regular Commission Meeting Agenda for May, 2016.

- B. American Fisheries Society, Thank You.
- C. OCZMA Renewal Letter

Greenwood referred the Commissioners to the packet; no discussion at this time.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

No items were removed from the Consent Calendar.

B. Accounts Paid

Ken Brown declared a conflict of interest because of payments made to Les Schwab. **A motion was made by Jincks and seconded by Patrick-Joling to accept the accounts paid. The motion passed 4 – 0.**

C. Resolution Setting Rates, Fees and Charges (ORD 294.160)

Greenwood advised there were a few changes to the draft since last month's meeting. The proposed resolution was added to the calendar again this month to give the public an opportunity to respond. Greenwood referred to the Dry Camping fee on page 64; he recommended the rate not be increased because of the ongoing Rogue construction. Jincks suggested that the price should increase to \$20 so that it keeps up as construction is completed; the Commissioners agreed. Chuck asked if the Yaquina Bay Fruit Processing (YBFP) area would still be used for dry camping, to which Greenwood responded that, because of Dulse, that area will not be used. Greenwood also wanted to clarify the Seafood & Wine surcharge, which would be a \$10 increase for a two night stay. The proposed resolution is still under review by Port staff, and Greenwood plans to recommend a resolution for approval at the May Regular Meeting.

D. International Terminal Shipping Facility Update

1. MOU with City of Newport re: Dredge Materials

Greenwood referred the Commission to the Meeting Packet. He explained the Port would pay the royalty fee in order to have access to the airport for disposal of materials. Greenwood recommends the MOU and suggested that contractors could also look at other spots that may provide a better alternative for disposal of unbuildable material. This MOU would apply to material on the Port's site and the Hall property used to build the mitigation site. Brown asked if the royalty was paid upfront; Greenwood said it is paid as used.

A motion was made by Patrick-Joling and seconded by Brown to authorize the General Manager to sign the Memo of Understanding with the City of Newport regarding Dredge Materials. The motion passed 5 – 0.

2. Easements with NW Natural

Greenwood referred the Commission to the Meeting Packet. He added the road easement is just part of the tax parcel, not a dedicated right of way. There will be signs for the recreational project at NOAA. The utilities easement could also extend to the industrial park.

A motion was made by Patrick-Joling and seconded by Jincks to authorize the General Manager to sign the Road Easement and the Utility Easement with Northwest Natural. The motion passed 5 – 0.

3. Pursuit of Additional Grants

Greenwood said he made a presentation to Cascades West Council of Governments last Thursday. The Port is currently ranked below the median for the ConnectOregon grant; about 50% of the applicants receive funding. Greenwood recommended seeking other grants so as not to lose the TIGER funding. Greenwood asked the Commission for the authority to pursue any and all grants, being aware of any potential conflicts. Final approval to sign any grant agreements would still be presented to the Commission.

A motion was made by Patrick-Joling and seconded by Brown to authorize the General Manager to pursue additional grants for the International Terminal Shipping Facility project. The motion passed 5 – 0.

4. Apply for \$2MM Loan from IFA

Greenwood suggested that, if the ConnectOregon grant application is not successful, the Port will need to find financing to keep the TIGER grant. In talking with TIGER representatives in Washington, DC, Greenwood found that TIGER grant contract does not need to be signed until

September of 2017, although financing will need to be completed by October, 2016. The IFA loan recommended would serve as a placeholder to show potential funders that a match is in hand. The EDA grant would be a 30 day review, and they will want to know other funding is available. The loan would buy the Port time to leverage additional grants. Greenwood said it is not his intent or recommendation to spend any of the loan. No funds would be spent from any grant or loan without Commission approval. Greenwood said he was reluctant to recommend using NOAA cash reserves because that may raise questions of need for other grant applications. Lamerdin asked if a line of credit would be a cost to the Port; Greenwood said the fee would probably be less than \$1,000. Brown asked if a loan or line of credit would hurt the Port's credit standing. Greenwood said the loan would not be revenue bonds, and going through IFA would be less cumbersome.

A motion was made by Patrick-Joling and seconded by Jincks to authorize the General Manager to apply for a \$2MM Loan from IFA. The motion passed 5 – 0.

5. Acceptance of IFA \$50K Port Planning and Marketing Grant.

Greenwood referred the Commission to the Meeting Packet.

E. Award Feasibility Study Contract to Market Advisory Group LLC

Greenwood referred to the Addendum to the Meeting Packet. There are no feasibility studies for the project currently available. Todd Chase recommended the Market Advisory Group, and Greenwood would like them to spend a month evaluating the project, including comparison with Astoria and Coos Bay in Oregon and Vancouver, Washington. The Port had received a scope of work proposal, which has been reviewed. Greenwood recommended the Commission authorize the contract.

A motion was made by Patrick-Joling and seconded by Brown to award a Feasibility Study Contract to Market Advisory Group, LLC. The motion passed 5 – 0.

VII. New Business

A. Award Contract to Apply Hoist Dock Thin Patch Overlay

Greenwood advised this item was being removed from the agenda for approval. Fuller explained that additional information has come to light since this was originally proposed. Fuller said he was hesitant to add to the wood structure because it should hold up. The focus is on the end of the strut to the south. Last Friday, staff looked underneath the saggy spot at the hoist dock area. Looking to the north, the fill, which had been there 50 – 75 years ago, had washed out. Fuller referred to the additional diagrams provided to the Commissioners which are appended to the minutes. The asphalt area was secured with concrete blocks and barricades to make the hoist dock safe, but it is inconvenient. All four hoists are in use. The repair of this area is a critical, high priority project, but not an emergency. The repair options need more review. Fuller met with Ron Stillmaker, engineer, to assess the area; there is not yet a preliminary cost estimate. The Port may consider replacement as part of the Capital Improvement Plan, or possibly fix temporarily with fill. Driving sheet pile would require waiting for the in-water work period, about 6 months from now. The temporary solution could perhaps serve for 10 years. The least expensive temporary alternative would be asphalt and then consider next steps. Greenwood added that financing is a concern, and that the correct replacement of this area was a previous goal. The McLean Point project took over as a priority because of more focus on generating income. Fuller said the condition can be strengthened at a reasonable cost.

B. DulsEnergy Seaweed Lease Opportunity

1. Pursuit of Infrastructure Grants for Water Intake

This item was discussed at the Commission Work Session at noon. Greenwood provided an action summary as follows:

Commission Chair can appoint Commissioners Brown and Patrick-Joling to assist with negotiations with DulsEnergy, LLC.

Consensus to have General Manager work with the Port's attorney to develop the following documents for Port Commission review:

- Memo of Understanding between Port and HMSC for licensing right to 150 gpm of filtered salt water.
- Utility Easement between Port and City for directional boring of 4" water line from HMSC Visitor's Center to Port log.
- Lease Agreement between DulsEnergy LLC and the Port for five years. Assistance from Commissioners Brown and Patrick-Joling.

General Manager will continue to identify grant opportunities that could be used to leverage private investment for capital investment.

Greenwood said he had spoken with Pete Gitner, attorney about these documents to be prepared. Greenwood requested consensus from the Commission that this was the way to proceed. Jincks said he wants to make sure Dulse knows we are not putting money into property improvements; the financing seemed sketchy, but he supported the project otherwise. Greenwood reminded the Commission that Dulse had also asked for delayed rent payment. Lamerdin said the improvement plans would need to be vetted by the Port, and Patrick-Joling added that there were no conceptual drawings presented. Lamerdin said he had seen leaking issues with similar tanks, wetland incubators, so inspections would be needed. Greenwood said engineering details have yet to be provided by Dulse. Brown also requested that a walk-through of the current facility be scheduled for Greenwood, Patrick-Joling and himself. Greenwood said the Port did have enough information to apply for the USDA grant, but would require more specifics later. The Commission gave a consensus to move forward.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance.

See Packet. There was no discussion at this time.

B. Director of Operations

See Packet. There was no discussion at this time.

C. General Manager

1. US-20 Closure

Greenwood said there would be a meeting on Wednesday, April 27th, with a shuttle available from the Courthouse to attend. Information on the closure already available was posted to the Port's website and Facebook page.

2. Seafood & Wine Festival

Greenwood referred to the map for the Loyalty Days Carnival in the Meeting Packet, along with letters from the Chamber of Commerce. Jim Protiva and Lorna Davis were invited but unable to attend the Commission Meeting. Protiva and Davis were considering moving the Seafood & Wine festival to the same location as the Carnival, and were considering a "phase 1" and "phase 2" location transition. Jincks suggested that the Seafood & Wine Festival be moved to the Multi-Use Area that will be completed by that time, keeping in mind that the Port has always considered hosting the S&W as long as it doesn't interfere with the Marina. The Commissioners agreed with Jincks. Brown added the Chamber would need to present a good reason to use the other area for it to be considered. Greenwood said storm drainage at the MUA was a concern for the Chamber. Chuck commented that for the Carnival he would like to see signs directing attendees to parking that would not interfere with the area reserved for boaters. He suggested looking into the Hatfield lot; Greenwood will follow up. Fuller suggested the YBFP area as a possible parking location. Fuller assured the Commission that Chris Urbach made clear the limits of the area available to the Carnival.

3. Statewide Issues/Oregon Public Ports Association

See Packet. There was no discussion at this time.

4. Letter to Audits Division

See Packet. There was no discussion at this time.

5. Rogue Brewery Expansion

See Packet. There was no discussion at this time.

6. City Parking Analysis

Greenwood introduced the proposal to convert the grassy area next to the gravel lot at Port Dock 7 to parking or storage, moving the pump station, and making the area where the pump station is located available as parking to the commercial fishing fleet. Brown had also attended the meeting with the Bayfront Parking District, held for fact-finding and public input, and took back that the city center has a surplus of parking. Better signage and use of public transportation (including from off-site parking) could help alleviate the parking issues on Bay Blvd. Brown added that it was recognized that the Port is the largest contributor to the Parking Fund for the District. Brown suggested gravel on the grassy area, and agreed with moving the pump station and making that area available for parking. Jincks commented that the grassy area was once used for storage, but it was messy with poor drainage. The area would need to be built up and drained before being usable, and the distance from the boats did not make for an ideal storage location. Patrick-Joling asked if Bay Front businesses had a policy about employees parking off Bay Blvd., as that seems to be part of the problem. Brown said there were no policies, but employees were encouraged to park elsewhere; the street is public parking. Brown added there will be an increase in the number

of employees at the fish plants, and they will be working on van pools for employees. He added that parking studies are planned.

7. Port Dock 5 Pier Closure

Greenwood referred to the meeting packet, and added that the first third of the pier was over ground not water. Fuller said he had reviewed the structure with engineer Bill Gunderson, who said it was "not the worst," but pilings would need to be addressed. Fuller added that the Commission request for a weight limit posed problems with liability and with enforcement. The cost to add a locked gate to prohibit truck access beyond the first third of the pier would cost about \$500 - \$600. Fuller recommended proceeding with a Request for Proposal and an engineer formal review of the structure. Lamerdin said he expected there would be "squawking" from the fishermen, but the Port could respond that the restriction is temporary so that the Pier can be improved. Greenwood said that Port 5 could be added to the Capital Improvement Plan. Fuller would like to use Steve Carver to review the access limitations.

IX. COMMISSIONER REPORTS

Chuck reported he had attended a Marine Debris workshop, which was valuable, but better funding would be needed to apply proposed ideas. Patrick-Joling said that the City was moving forward with Visioning – the Port will be a large factor.

X. CALENDAR/FUTURE CONSIDERATIONS

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Wayde Dudley commented that he had sampled DulsEnergy product at Hatfield Marine Science Day, and he would not be a stockholder.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:30 pm.



Walter Chuck, President

ATTESTED:



David Jincks, Secretary / Treasurer

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